

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)
AUXIER ROAD GAS COMPANY, INC.) CASE NO. 10288-N

O R D E R

On April 10, 1991, the Commission issued its Order in Case Nos. 10288-D and 10288-E approving the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier"). The clause allowed for the quarterly adjustment in rates as set forth herein.

On March 8, 1994, Auxier filed its quarterly GCA, which was proposed to become effective April 1, 1994 and is to remain in effect until July 1, 1994.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice of March 8, 1994 set out certain revisions in rates which Auxier proposed to place into effect, said rates being designed to pass on to its customers the wholesale decrease in gas costs from its suppliers. Auxier miscalculated its expected gas cost ("EGC") by failing to convert its EREX rate to an Mcf basis. Auxier's EGC for the quarter beginning April 1, 1994 should be \$3.3901 per Mcf.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out an incorrect current quarter actual adjustment ("AA"). Using the correct EGC for the months of July through December 1993 results in a current quarter AA of

(31.16) cents per Mcf. The total AA of (12.51) cents per Mcf is designed to reflect the current over-collection, as well as under- and over-recoveries from a previous period.

4. Auxier's notice set out no current quarter balancing adjustment ("BA"). The total BA of (4.5) cents per Mcf is from a previous AA over-recovery.

5. The combined effect of the above adjustments is Auxier's gas cost recovery rate ("GCR") in the amount of \$3.2200 per Mcf, which is a decrease of 96.80 cents per Mcf from its last approved rates.

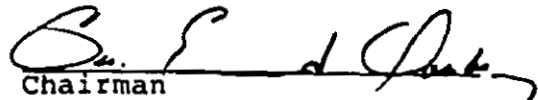
6. Auxier's corrected adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Cases No. 10288-D and No. 10288-E dated April 10, 1991 is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1994.

IT IS THEREFORE ORDERED that:

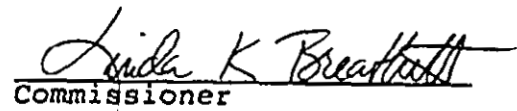
1. The rates proposed by Auxier are hereby denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with service rendered on and after April 1, 1994.
3. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 5th day of April, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-N DATED April 5, 1994

The following rates and charges are prescribed for the customers in the area served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$3.2200	\$8.3300
All Over 1 Mcf Per Mcf	4.2599	3.2200	7.4799